
SECOND SUBSTITUTE HOUSE BILL 2418

State of Washington

59th Legislature

2006 Regular Session

By House Committee on Capital Budget (originally sponsored by Representatives Springer, Miloscia, Chase, Morrell, Hasegawa, Darneille, Santos, P. Sullivan, Kagi, Green, Sells, Ormsby and O'Brien)

READ FIRST TIME 02/08/06.

1 AN ACT Relating to affordable housing; amending RCW 82.45.060,
2 43.185C.010, and 43.63A.655; adding new sections to chapter 43.185 RCW;
3 adding new sections to chapter 43.185A RCW; adding a new section to
4 2005 c 488 (uncodified); adding new sections to chapter 43.185C RCW;
5 creating new sections; recodifying RCW 43.63A.655; making
6 appropriations; and providing expiration dates.

7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

8 NEW SECTION. **Sec. 1.** A new section is added to chapter 43.185 RCW
9 to read as follows:

10 The legislature finds that Washington is experiencing an affordable
11 housing crisis and that this crisis is growing exponentially every year
12 as the population of the state expands and housing values increase at
13 a rate that far exceeds most households' proportionate increase in
14 income. The legislature further finds that while the rapid increase in
15 housing values has exacerbated the affordable housing crisis, the
16 phenomena has also dramatically benefited the state's general fund, the
17 growth of which is directly attributable to increased proceeds from the
18 real estate excise tax.

1 The fiscal and societal costs of the lack of adequate affordable
2 housing are high for both the public and private sectors. However, the
3 legislature finds that while real estate generates large amounts of
4 revenue, current levels of funding for affordable housing programs are
5 inadequate to meet the housing needs of many low-income Washington
6 households.

7 Therefore, the legislature declares that a portion of the increased
8 revenue generated from the real estate excise tax must be used to
9 support affordable housing programs that assist low-income households
10 obtain and retain housing.

11 **Sec. 2.** RCW 82.45.060 and 2005 c 450 s 1 are each amended to read
12 as follows:

13 (1) There is imposed an excise tax upon each sale of real property
14 at the rate of one and twenty-eight one-hundredths percent of the
15 selling price. An amount equal to six and one-tenth percent of the
16 proceeds of this tax to the state treasurer shall be deposited in the
17 public works assistance account created in RCW 43.155.050. An amount
18 equal to one and six-tenths percent of the proceeds of this tax to the
19 state treasurer shall be deposited in the city-county assistance
20 account created in RCW 43.08.290.

21 (2) Of amounts deposited into the general fund pursuant to
22 subsection (1) of this section, the legislature may authorize a
23 transfer of up to twenty-five million dollars for the fiscal year
24 ending June 30, 2006, into the Washington housing trust fund created in
25 RCW 43.185.030.

26 NEW SECTION. **Sec. 3.** A new section is added to chapter 43.185 RCW
27 to read as follows:

28 The application process and distribution procedure for the
29 allocation of funds are the same as the competitive application process
30 and distribution procedure for the housing trust fund, described in
31 this chapter and chapter 43.185A RCW, except for the funds applied to
32 the homeless families services fund created in RCW 43.330.167, dollars
33 appropriated to weatherization administered through the energy
34 matchmaker program, dollars appropriated for rental vouchers for low-
35 income or seasonal farm workers, and dollars appropriated to any

1 program to provide financial assistance for grower-provided on-farm
2 housing for low-income migrant or seasonal farm workers.

3 NEW SECTION. **Sec. 4.** A new section is added to chapter 43.185A
4 RCW to read as follows:

5 The application process and distribution procedure for the
6 allocation of funds are the same as the competitive application process
7 and distribution procedure described in section 3 of this act.

8 NEW SECTION. **Sec. 5.** A new section is added to 2005 c 488
9 (uncodified) to read as follows:

10 **FOR THE DEPARTMENT OF COMMUNITY, TRADE, AND ECONOMIC DEVELOPMENT**

11 Housing Assistance, Weatherization, and Affordable Housing--Home
12 Security Fund (06-4-851)

13 The appropriations in this section are subject to the following
14 conditions and limitations:

15 (1) \$8,600,000 of the appropriation from the Washington housing
16 trust account is provided solely for the backlog, as defined by the
17 department, of projects determined by the department to be eligible
18 under chapter 43.185 or 43.185A RCW.

19 (2) \$1,000,000 of the appropriation from the Washington housing
20 trust account is provided solely for rental vouchers for low-income or
21 seasonal farm workers, specifically to be used for: (a) Privately
22 owned and operated rental units, including single-family homes; or (b)
23 on-farm housing units. Housing and rental units for which rental
24 vouchers may be used must meet temporary worker housing standards, when
25 applicable. Any of this appropriation that is unspent on June 30,
26 2007, shall be added to the amount appropriated for the backlog
27 identified in subsection (1) of this section.

28 (3) \$4,500,000 of the appropriation from the Washington housing
29 trust account is provided solely for weatherization administered
30 through the energy matchmakers program.

31 (4) \$1,250,000 of the appropriation from the Washington housing
32 trust account is provided solely to promote development of safe and
33 affordable housing units for persons eligible for services from the
34 division of developmental disabilities within the department of social
35 and health services.

1 (5) \$500,000 of the appropriation from the Washington housing trust
2 account is provided solely for shelters, transitional housing, or other
3 housing facilities for victims of domestic violence.

4 (6) \$4,000,000 of the appropriation from the Washington housing
5 trust account is provided solely for farm worker housing projects and
6 programs to meet the full spectrum of housing needs of Washington's
7 farm workers and their families. The department shall work with
8 stakeholders representing a diversity of farm worker housing interests
9 to develop a strategic plan in implementing this provision.

10 (7) \$1,000,000 of the appropriation from the Washington housing
11 trust account is provided solely for mobile home preservation.

12 (8) \$4,000,000 of the appropriation from the homeless families
13 services fund is provided solely for the purposes of RCW 43.330.167,
14 but limited to residents living in housing subject to a regulatory
15 agreement related to rent and/or income restrictions.

16 (9) \$150,000 of the appropriation from the Washington housing trust
17 account is provided solely for a program to assist individuals and
18 communities in the home-buying process, including, but not limited to:
19 Homebuyer education classes, credit and budget counseling, financial
20 literacy training, and down payment assistance programs. The
21 department shall contract with a nonprofit organization as defined
22 under section 501(c)(3) of the internal revenue code or similar
23 successor provision that has experience and expertise in addressing
24 language access barriers in the home-buying process to implement this
25 program.

26 (10) Appropriations in this section shall be included in the
27 calculation of annual funds available for determining the
28 administrative costs of the department, which shall not exceed five
29 percent of the annual funds available for the housing assistance
30 program and the affordable housing program as authorized under RCW
31 43.185.050 and 43.185A.030.

32 Appropriation:

33	Washington Housing Trust Account--State	\$21,000,000
34	Homeless Families Services Account--State	\$4,000,000
35	Subtotal Appropriation	\$25,000,000
36	Prior Biennia (Expenditures)	\$0
37	Future Biennia (Projected Costs)	\$75,000,000
38	TOTAL	\$100,000,000

1 NEW SECTION. **Sec. 6.** A new section is added to chapter 43.185 RCW
2 to read as follows:

3 The department must report annually by December 31st the
4 accomplishments of this act to the appropriate committees of the
5 legislature. The report must include statewide information as well as
6 information that is county and city specific. Performance measures
7 must be determined by the department, with required input from the
8 appropriate committees of the legislature, by December 31, 2006.

9 **Sec. 7.** RCW 43.185C.010 and 2005 c 484 s 3 are each amended to
10 read as follows:

11 The definitions in this section apply throughout this chapter
12 unless the context clearly requires otherwise.

13 (1) "Department" means the department of community, trade, and
14 economic development.

15 (2) "Director" means the director of the department of community,
16 trade, and economic development.

17 (3) "Homeless person" means an individual living outside or in a
18 building not meant for human habitation or which they have no legal
19 right to occupy, in an emergency shelter, or in a temporary housing
20 program which may include a transitional and supportive housing program
21 if habitation time limits exist. This definition includes substance
22 abusers, mentally ill people, and sex offenders who are homeless.

23 (4) "Washington homeless census" means an annual statewide census
24 conducted as a collaborative effort by towns, cities, counties,
25 community-based organizations, and state agencies, with the technical
26 support and coordination of the department, to count and collect data
27 on all homeless individuals in Washington.

28 (5) "Homeless housing account" means the state treasury account
29 receiving the state's portion of income from revenue from the sources
30 established by RCW 36.22.179.

31 (6) "Homeless housing grant program" means the vehicle by which
32 competitive grants are awarded by the department, utilizing moneys from
33 the homeless housing account, to local governments for programs
34 directly related to housing homeless individuals and families,
35 addressing the root causes of homelessness, preventing homelessness,
36 collecting data on homeless individuals, and other efforts directly
37 related to housing homeless persons.

1 (7) "Local government" means a county government in the state of
2 Washington or a city government, if the legislative authority of the
3 city affirmatively elects to accept the responsibility for housing
4 homeless persons within its borders.

5 (8) "Housing continuum" means the progression of individuals along
6 a housing-focused continuum with homelessness at one end and
7 homeownership at the other.

8 (9) "Local homeless housing task force" means a voluntary local
9 committee created to advise a local government on the creation of a
10 local homeless housing plan and participate in a local homeless housing
11 program. It must include a representative of the county, a
12 representative of the largest city located within the county, at least
13 one homeless or formerly homeless person, such other members as may be
14 required to maintain eligibility for federal funding related to housing
15 programs and services and if feasible, a representative of a private
16 nonprofit organization with experience in low-income housing.

17 (10) "Long-term private or public housing" means subsidized and
18 unsubsidized rental or owner-occupied housing in which there is no
19 established time limit for habitation of less than two years.

20 (11) "Interagency council on homelessness" means a committee
21 appointed by the governor and consisting of, at least, (~~the director~~
22 ~~of~~) policy level representatives of the following entities: (a) The
23 department of community, trade, and economic development; (b) the
24 (~~secretary of the~~) department of corrections; (c) the (~~secretary of~~
25 ~~the~~) department of social and health services; (d) the (~~director of~~
26 ~~the~~) department of veterans affairs; and (e) the (~~secretary of the~~)
27 department of health.

28 (12) "Performance measurement" means the process of comparing
29 specific measures of success against ultimate and interim goals.

30 (13) "Community action agency" means a nonprofit private or public
31 organization established under the economic opportunity act of 1964.

32 (14) "Housing authority" means any of the public corporations
33 created by chapter 35.82 RCW.

34 (15) "Homeless housing program" means the program authorized under
35 this chapter as administered by the department at the state level and
36 by the local government or its designated subcontractor at the local
37 level.

1 (16) "Homeless housing plan" means the ten-year plan developed by
2 the county or other local government to address housing for homeless
3 persons.

4 (17) "Homeless housing strategic plan" means the ten-year plan
5 developed by the department, in consultation with the interagency
6 council on homelessness and the affordable housing advisory board.

7 (18) "Washington homeless client management information system"
8 means a data base of information about homeless individuals in the
9 state used to coordinate resources to assist homeless clients to obtain
10 and retain housing and reach greater levels of self-sufficiency or
11 economic independence when appropriate, depending upon their individual
12 situations.

13 NEW SECTION. **Sec. 8.** A new section is added to chapter 43.185C
14 RCW to read as follows:

15 (1) The interagency council on homelessness, as defined in RCW
16 43.185C.010, shall be convened not later than August 31, 2006, and
17 shall meet at least two times each year and report to the appropriate
18 committees of the legislature annually by December 31st on its
19 activities.

20 (2) The interagency council on homelessness shall work to create
21 greater levels of interagency coordination and to coordinate state
22 agency efforts with the efforts of state and local entities addressing
23 homelessness.

24 (3) The interagency council shall seek to:

25 (a) Align homeless-related housing and supportive service policies
26 among state agencies;

27 (b) Identify ways in which providing housing with appropriate
28 services can contribute to cost savings for state agencies;

29 (c) Identify and eliminate policies and actions that contribute to
30 homelessness or interfere with its reduction;

31 (d) Review and improve strategies for discharge from state
32 institutions that contribute to homelessness;

33 (e) Recommend and adopt new policies to either improve practices or
34 align resources, or both, including those policies requested by the
35 affordable housing advisory board or through state and local housing
36 plans; and

1 (f) Ensure that the housing status of people served by state
2 programs is collected in consistent formats available for analysis.

3 **Sec. 9.** RCW 43.63A.655 and 1999 c 267 s 4 are each amended to read
4 as follows:

5 (1) In order to improve services for the homeless, the department,
6 within amounts appropriated by the legislature for this specific
7 purpose, shall implement ((a)) the Washington homeless client
8 management information system for the ongoing collection and ((analysis
9 ef)) updates of information about all homeless individuals in the
10 state.

11 (2) Information about homeless individuals for the Washington
12 homeless client management information system shall come from the
13 Washington homeless census and from state agencies and community
14 organizations providing services to homeless individuals and families.

15 (3) The Washington homeless client management information system
16 shall serve as an online information and referral system to enable
17 local governments and providers to connect homeless persons in the data
18 base with available housing and other support services. Local
19 governments shall develop a capacity for continuous case management,
20 including independent living plans, when appropriate, to assist
21 homeless persons.

22 (4) The information in the Washington homeless client management
23 information system will also provide the department with the
24 information to consolidate and analyze data about the extent and nature
25 of homelessness in Washington state, giving emphasis to information
26 about the extent and nature of homelessness in Washington state among
27 families with children.

28 (5) The system may be merged with other data gathering and
29 reporting systems and shall:

30 (a) Protect the right of privacy of individuals;

31 (b) Provide for consultation and collaboration with all relevant
32 state agencies including the department of social and health services,
33 experts, and community organizations involved in the delivery of
34 services to homeless persons; and

35 (c) Include related information held or gathered by other state
36 agencies.

1 ~~((2))~~ (6) Within amounts appropriated by the legislature, for
2 this specific purpose, the department shall evaluate the information
3 gathered and disseminate the analysis and the evaluation broadly, using
4 appropriate computer networks as well as written reports.

5 (7) The Washington homeless client management information system
6 shall be implemented by December 31, 2009, and updated with new
7 homeless client information at least annually.

8 NEW SECTION. Sec. 10. (1) The department of community, trade, and
9 economic development shall conduct a study to evaluate the potential
10 development of a voluntary statewide, low-income household housing
11 waiting list data base that would include information on all low-income
12 households requesting housing assistance for the purpose of connecting
13 such households with appropriate housing opportunities. The study
14 shall investigate and evaluate the following:

15 (a) The anticipated benefits of such a statewide waiting list to
16 low-income households and low-income housing providers;

17 (b) The cost of implementing and maintaining the data base; and

18 (c) Best practices from other states or from counties in other
19 states that currently have a similar data base.

20 The department shall report the results of this study to the
21 appropriate committees of the legislature by December 31, 2007.

22 (2) This section expires December 31, 2007.

23 NEW SECTION. Sec. 11. A new section is added to chapter 43.185A
24 RCW to read as follows:

25 (1) The department shall create or purchase, and implement by
26 December 31, 2009, a master affordable housing data base that includes
27 specific information about existing affordable rental housing stock in
28 the state of Washington. The data base shall be maintained and
29 continually updated by the department, and the department may
30 cross-reference and exchange information between this data base and
31 other existing state housing data bases.

32 (2) The data base shall include information on all rental units
33 that meet the affordable housing definition and have received or
34 continue to receive funding from the federal, state, or local
35 government, or other nonprofit organization or financing through the
36 Washington housing finance commission. The department shall encourage

1 private landlords to voluntarily submit information about private
2 rental units that are affordable for low-income households to be
3 included in the data base.

4 (3) The data base shall include information about rental units that
5 shall be determined by the department. However, the data base must
6 include, at a minimum, measures for quality, cost, safety, and size.

7 (4) Other state agencies, local governments, local public agencies,
8 including water and sewer districts, housing authorities, and other
9 housing organizations shall cooperate with the department to create and
10 update the affordable housing data base by providing to the department
11 any requested existing information about rental housing units within
12 the jurisdiction.

13 (5) The data base shall be searchable by the department, local
14 governments, community housing organizations, including housing
15 authorities, and the public according to housing characteristics
16 determined by the department including, at a minimum, location, cost,
17 and size. The data base will be utilized for data collection about
18 Washington's affordable rental housing stock and will also serve as a
19 low-income housing referral system to connect low-income households
20 seeking housing with appropriate and available units.

21 NEW SECTION. **Sec. 12.** A new section is added to chapter 43.185A
22 RCW to read as follows:

23 The department, the housing finance commission, the affordable
24 housing advisory board, and all local governments, housing authorities,
25 and other nonprofits receiving state housing funds or financing through
26 the housing finance commission shall, by December 31, 2006, and
27 annually thereafter, review current housing reporting requirements
28 related to housing programs and services and give recommendations to
29 streamline and simplify all planning and reporting requirements to the
30 department of community, trade, and economic development, which will
31 compile and present the recommendations annually to the legislature.
32 The entities listed in this section shall also give recommendations for
33 additional legislative actions that could promote affordable housing
34 and end homelessness.

35 NEW SECTION. **Sec. 13.** RCW 43.63A.655 is recodified as a section
36 in chapter 43.185C RCW.

1 NEW SECTION. **Sec. 14.** Sections 1 through 6 of this act expire
2 July 1, 2010.

3 NEW SECTION. **Sec. 15.** Unless a transfer of at least twenty-five
4 million dollars from the general fund to the Washington housing trust
5 fund as created in RCW 43.185.030 for the purposes of this act,
6 referencing this act by bill or chapter number, is not provided by June
7 30, 2006, in the omnibus appropriations act, this act is null and void.

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